

to determine the tree cruise volume within a reasonable degree of accuracy.

(b) Third party scaling may be ordered by the Bureau after a determination that all of the following factors exist: (1) A timber disaster has occurred; (2) a critical resource loss is imminent; (3) measurement practices listed in § 5422.1 and paragraph (a) of this section are inadequate to permit orderly disposal of the damaged timber. Third party scaling volumes must be capable of being equated to Bureau standards in use for timber depletion computations, to insure conformance with sustained yield principles.

Subpart 5424—Preparation of Contract

§ 5424.0-6 Policy.

(a) All timber sales shall be made on contract or permit forms approved by the Director, BLM.

(b) Other than for incidental use, the severance and/or removal of any vegetative resource for personal or commercial use requires a written contract or permit issued by the authorized officer or other person authorized by the United States. All contracts or permits shall contain the following:

(1) The name of the purchaser or his/her authorized representative with complete mailing address.

(2) The specific vegetative resources authorized for removal and their respective quantities and values.

(3) The specific location from which the vegetative resources are to be removed.

(4) The term for which the contract or permit is valid.

(5) Contract or permit conditions and stipulations.

(6) Signature of purchaser or authorized representative.

(c) The authorized officer may include additional provisions in the contract or permit to cover conditions peculiar to the sale area, such as road construction, logging methods, silvicultural practices, reforestation, snag felling, slash disposal, fire prevention, fire control, and the protection of improvements, watersheds, recreational values, and the prevention of pollution or other environmental degradation.

(d) The contract or permit from and any additional provisions shall be made available for inspection by prospective bidders during the advertising period. When sales are negotiated, all additional provisions shall be made part of the contract or permit.

(e) Except for such specific quantities of grades and species of unprocessed timber determined to be surplus to domestic lumber and plywood manufacturing needs, each timber sale contract shall include provisions that prohibit:

(1) The export of any unprocessed timber harvested from the area under contract; and

(2) The use of any timber of sawing or peeler grades, sold pursuant to the contract, as a substitute for timber from private lands which is exported or sold for export by the purchaser, an affiliate of the purchaser, or any other parties.

[56 FR 10175, Mar. 11, 1991]

§ 5424.1 Reporting provisions for substitution determination.

(a) To determine whether substitution has occurred, the authorized officer may require that information identified in the contract be reported by:

(1) A purchaser who has exported private timber within one year preceding the purchase date of Federal timber, and/or

(2) An affiliate of a timber purchaser who exported private timber within one year before the acquisition of Federal timber from the purchaser.

(b) Purchasers or affiliates of purchasers shall retain a record of Federal timber acquisitions and private timber exports for three years from the date the activity occurred.

(Information collection requirements contained in paragraph (a) were approved by the Office of Management and Budget under control number 1004-0058)

[46 FR 29263, June 1, 1981]

PART 5430—ADVERTISEMENT

Subpart 5430—Advertisement; General

AUTHORITY: Sec. 5, 50 Stat. 875, 61 Stat. 681, as amended, 69 Stat. 367; 43 U.S.C. 1181e, 30 U.S.C. 601 *et seq.*

§ 5430.0-6 Policy.

Competitive timber sales shall be advertised in a newspaper of general circulation in the area in which the timber or other vegetative resources are located and a notice of the sale shall be posted in a conspicuous place in the office where bids are to be submitted. Such advertisement shall be published on the same day once a week for two consecutive weeks, except that sales amounting to less than 500 M board feet, need be published once only. When in the discretion of the authorized officer longer advertising periods are desired, such longer periods are permitted.

[35 FR 9785, June 13, 1970]

§ 5430.1 Requirements.

The advertisement of sale shall state the location by county, section, township, range, meridian, of the tract or tracts on which timber or other vegetative resources are being offered, the estimated total quantity, the unit of measure, the total appraised value, the minimum deposit, time and place for receiving bids, the office where additional information may be obtained, and such additional information as the authorized officer may deem necessary.

[35 FR 14135, Sept. 5, 1970]

PART 5440—CONDUCT OF SALES**Subpart 5441—Advertised Sales**

Sec.

- 5441.1 Qualification of bidders.
- 5441.1-1 Bid deposits.
- 5441.1-2 Special considerations.
- 5441.1-3 SBA set-aside sales.

Subpart 5442—Bidding Procedure

- 5442.1 Bidding.
- 5442.2 Resale of timber from uncompleted contract.
- 5442.3 Rejection of bids; waiver of minor deficiencies.

Subpart 5443—90-Day Sales

- 5443.1 General.

AUTHORITY: Sec. 5, 50 Stat. 875, 61 Stat. 631, as amended, 69 Stat. 367; 43 U.S.C. 1181e, 30 U.S.C. 601 *et seq.*

Subpart 5441—Advertised Sales**§ 5441.1 Qualification of bidders.**

(a) A bidder or purchaser for the sale of timber must be (1) an individual who is a citizen of the United States, (2) a partnership composed wholly of such citizens, (3) an unincorporated association composed wholly of such citizens, or (4) a corporation authorized to transact business in the States in which the timber is located. A bidder must also have submitted a deposit in advance, as required by § 5441.1-1. To qualify for bidding to purchase set-aside timber, the bidder must not have been determined by the Small Business Administration to be ineligible for preferential award of set-aside sales and must accompany his deposit with a self-certification statement that he is qualified as a small business concern as defined by the Small Business Administration (13 CFR part 121).

(b) At the request of the authorized officer, or the officer conducting the sale, bidders must furnish evidence of qualification in conformance with paragraphs (a) and (c) of this section or if such evidence has already been furnished, make appropriate reference to the record containing it.

(c)(1) A purchaser who is under review for debarment may continue to bid on timber purchase contracts until a final debarment determination has been made by the debarring official. However, contracts will not be awarded during the review period.

(2) Debarred purchasers are prohibited from bidding on timber purchase contracts.

[35 FR 9785, June 13, 1970, as amended at 47 FR 38696, Sept. 2, 1982; 52 FR 26983, July 17, 1987]

§ 5441.1-1 Bid deposits.

Sealed bids shall be accompanied by a deposit of not less than 10 percent of the appraised value of the timber or other vegetative resources. For offerings at oral auction, bidders shall make a deposit of not less than 10 percent of the appraised value prior to the opening of the bidding. The authorized officer may, in his discretion, require larger deposits. Deposits may be in the form of cash, money orders, bank drafts, cashiers or certified checks

made payable to the Bureau of Land Management, bid bonds of a corporate surety shown on the approved list of the United States Treasury Department or any guaranteed remittance approved by the authorized officer. Upon conclusion of the bidding, the bid deposits of all bidders, except the high bidder, will be returned. The deposit of the successful bidder will be applied on the purchase price at the time the contract is signed by the authorized officer unless the deposit is a corporate surety bid bond, in which case the surety bond will be returned to the purchaser.

[55 FR 22917, June 5, 1990]

§ 5441.1-2 Special considerations.

Where a timber sale notice provides that the successful bidder may use a Small Business Administration road construction loan, and the bidder has reason to believe that he qualifies for such road construction loan under SBA regulations (13 CFR part 121), the bidder shall submit to the authorized officer a statement of his intention to file with SBA for such SBA road construction loan. The purpose of the filing is to facilitate action by the authorized officer and the Small Business Administration on the loan application.

[35 FR 9785, June 13, 1970]

§ 5441.1-3 SBA set-aside sales.

Only bids of small business concerns which have filed a self-certification statement as required by § 5441.1 may be considered for sales subject to set-asides. When no such bids are received, the timber may be sold under § 5443.1 in the same manner as timber not previously made subject to a set-aside. When timber subject to a set-aside is not sold for any other reason, the sale may be rescheduled for a set-aside sale.

[35 FR 9785, June 13, 1970]

Subpart 5442—Bidding Procedure

§ 5442.1 Bidding.

(a) Bidding at competitive sales shall be conducted by the submission of sealed bids, written bids, oral bids, or a combination of bidding methods as directed by the authorized officer.

(b) In sealed bid sales, the bidder submitting the highest sealed bid shall be declared the high bidder. In the event of a tie in high sealed bids, the high bidder shall be determined by lot from among those who submitted the tie bids.

(c) In oral auction sales, submission of the required minimum bid deposit and a written bid at not less than the advertised appraised price shall be required to participate in oral bidding. The officer conducting the sale shall declare a specific period, prior to oral bidding on each tract, during which bid deposits and written bids may be submitted. Bid deposits and written bids also may be submitted any time prior to the specific period declared by the officer conducting the sale. Oral bidding to determine the high bidder shall begin from the highest written bid after closure of the submittal period. In the event there is a tie in high written bids, and no oral bidding occurs, the bidder who was the first to submit his bid deposit and written bid shall be declared the high bidder. If the officer conducting the sale cannot determine who made the first submission of high tie written bids, the high bidder shall be determined by lot. The declared high bidder must confirm his oral bid in writing immediately after the sale, but failure to do so shall not relieve him of his purchase obligation.

[38 FR 6280, Mar. 8, 1973]

§ 5442.2 Resale of timber from uncompleted contract.

(a) This section applies to the sale of timber only when 50 percent or more of the timber included in the sale is timber remaining from an uncompleted contract. A bid from a purchaser who held the uncompleted contract, or an affiliate of such purchaser, will be considered only if:

- (1) The contract was not canceled because of breach by the purchaser, and
- (2) The purchaser has made full payment of the total purchase price and any related charges by the expiration date.

(b) The purchaser who held the uncompleted contract, or affiliate of such purchaser, shall, upon execution of the resale contract, agree that the